

Before the
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Saratoga Post Office
Saratoga, Arkansas

Docket No. A2012-21

PUBLIC REPRESENTATIVE COMMENTS
(December 28, 2011)

On October 18, 2011, Dale Gathright, Jr. (Petitioner) filed a petition with the Commission seeking review of the Postal Service's Final Determination to close the Saratoga, Arkansas post office (Saratoga post office).¹ On October 24, 2011, the Commission issued Order No. 925, which instituted this proceeding, designated the undersigned Public Representative, and established a procedural schedule.² In accordance with Order No. 925, the Public Representative submits the following comments to raise several issues that may better inform the Commission in completing its review.

The record indicates that the Postal Service provided customers with adequate notice of its intent to close the Saratoga post office. The Postal Service distributed questionnaires to customers and held a community meeting to address customer concerns.³ It posted the Proposal to Close and Final Determination for approximately 60 days and 30 days, respectively, at the Saratoga and Columbus post offices.⁴

However, the record raises issues about whether the Postal Service adequately considered (1) its ability to provide a maximum degree of effective and regular service and (2) the potential economic savings from the closure. See 39 U.S.C. § 404(d)(2)(A)(iii) and 404(d)(2)(A)(iv).

¹ Petition for Review of Dale Gathright, Jr., October 18, 2011.

² Notice and Order Accepting Appeal and Establishing Procedural Schedule, October 24, 2011 (Order No. 925).

³ Final Determination at 2; Administrative Record, Item 20-22, 24.

⁴ Final Determination at 2; Administrative Record, Items 33, 47.

Effective and regular service. In his participant statement, Petitioner argues that the Columbus post office lacks a sufficient number of post office boxes to accommodate new customers from the Saratoga community.⁵ The Saratoga post office provided service to 102 post office box customers and 155 delivery customers.⁶ However, the record indicates that the Columbus post office only has 38 post office boxes available.⁷

In its comments, the Postal Service states that “the discontinuance coordinator has confirmed that the Post Office Boxes located at the Saratoga Post Office will be moved to the Columbus Post Office, providing the Columbus Post Office with a sufficient number of Postal Office Boxes available for use by Saratoga customers.”⁸ Although the Postal Service contends that this issue was “not raised in the record,” *id.*, Petitioner expressed this concern in a letter that the Postal Service acknowledged and included in the record. Administrative Record, Item 38 at 5-6.

In a recent order remanding a Final Determination, the Commission concluded that the Postal Service had not adequately considered its ability to provide effective and regular service if the post office were closed.⁹ This conclusion was based in part on an insufficient number of post office boxes at the replacement post office. *Id.* at 10. However, in that case, the Postal Service did not explain the effect on customers of the shortfall of post office boxes. *Id.* Here, the Commission may reach a different result if it is satisfied with the Postal Service’s explanation.

Economic savings. The Postal Service estimates total annual savings of \$51,129. Final Determination at 5. It derives this figure by summing the following costs: postmaster salary and benefits (\$44,279) plus annual lease costs (\$6,850). *Id.* The Postal Service cites no cost of replacement service or one-time expenses.

In Order No. 982, the Commission stated that, while possible, a \$0 cost of replacement rural delivery service was “inconsistent with the many other post office closings

⁵ Participant Statement of Dale Gathright, Jr., November 28, 2011, at 1.

⁶ Final Determination at 2; Administrative Record, Item 13.

⁷ Final Determination at 2; Administrative Record, Item 42.

⁸ United States Postal Service Comments Regarding Appeal, December 12, 2011, at 6.

previously reviewed, and requires an explanation.”¹⁰ In its comments, the Postal Service does not explain why it would incur no additional expense in providing rural delivery service.

The record indicates that the facility lease expires on December 31, 2015 and does not contain a 30-day cancellation clause. Administrative Record, Items 15, 42. Therefore, as the Commission stated, “the Postal Service is liable for the balance of the term and presumably will continue to make payments” through the end of the lease term. Order No. 982 at 9-10. The additional lease costs should be factored into the Postal Service’s net annual savings estimate to present a more accurate picture of the financial impact of the decision to close the Saratoga post office. *Id.* at 10.

Because of similar anomalies discussed above, the Commission stated in Order No. 982 that it could not conclude that the Postal Service had adequately considered the economic savings resulting from the closure. *Id.* The Commission may wish to remand the Final Determination to provide the Postal Service an opportunity to address these issues.

The Postal Service’s Final Determination to close the Saratoga post office appears procedurally in order. However, issues concerning effective and regular service as well as potential economic savings may be problematic.

Respectfully submitted,

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⁹ Docket No. A2011-34, Order No. 974, Order Remanding Determination, November 16, 2011, at 11.

¹⁰ Docket No. A2011-40, Order Remanding Determination, November 18, 2011, at 10 (Order No. 982).